

Rules Change To Protect Privacy

New Federal Rules of Bankruptcy Procedure that affect privacy and minimize the risk of identity theft took effect December 1, 2003. Bankruptcy cases must no longer display a filer's entire social security number when the case is viewed electronically.


The changes in Bankruptcy Rules 1005, 1007, and 2002 respond to increased electronic access by the public to court files. Electronic access to bankruptcy files makes widespread dissemination of Social Security numbers possible and identity theft that much easier, raising questions of personal privacy. Concern was heightened because virtually all bankruptcy courts have systems in place that give the public instant access to court records through the Internet—either through the electronic public access service to court records called PACER, or through the electronic case management and electronic case files system for the federal courts, CM/ECF.

Prior to the change, federal rules required the entire Social Security number in bankruptcy cases, unlike in civil cases where, by Judicial Conference policy, a litigant's Social Security number could be abbreviated.

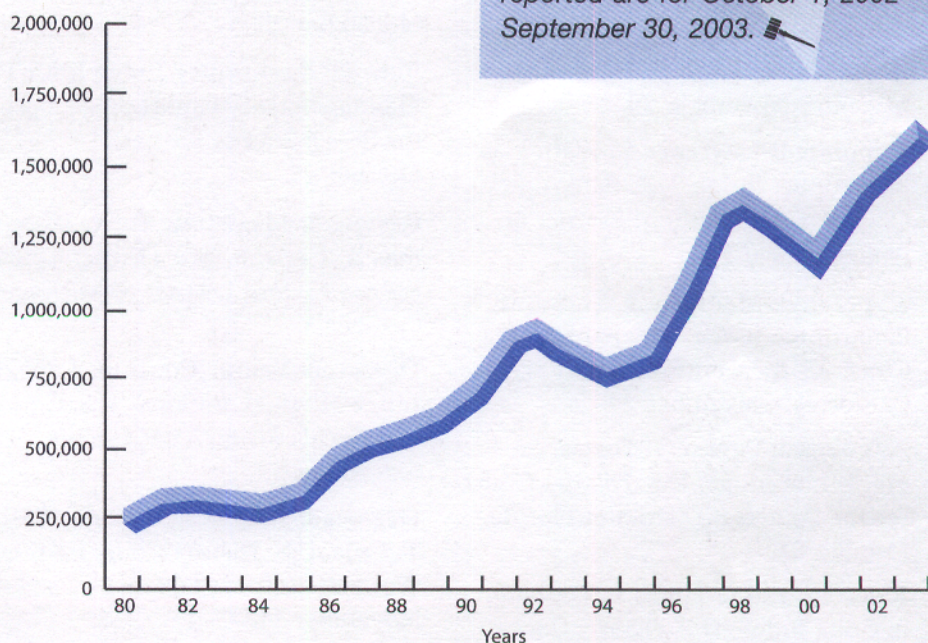
In September 2002, to protect litigants, the Conference recommended amendments to the Rules of Bankruptcy Procedure requiring that only the last four digits of the Social Security number be included on papers filed with the court.

The full Social Security number must still be provided to the court and the full number sent to creditors as part of the notice of the bankruptcy filing. The public will continue to have electronic access to the name, address, and four-digit

social security number of debtors filing in bankruptcy.

The Rules changes were made through the Rules Enabling Act. Initially, the appropriate Judicial Conference Rules Advisory Committee considers suggestions for rules changes, and then the committee drafts rules changes, distributes the proposed amendments to the bench, bar, and general public, holds public hearings, and considers public comments. If the Advisory Committee approves the proposed amendments, the Standing Rules Committee, the Judicial Conference, and the Supreme Court all must approve them before the amendments are sent to Congress. If Congress does not act, the proposed amendments take effect on December 1. 

Fiscal Year Bankruptcy Filings 1980 - 2003



Bankruptcy Filings Continue Climb in Fiscal Year 2003

Fiscal Year 2003 saw the number of personal or non-business bankruptcies filed in federal courts continue to increase, while business bankruptcy filings declined.

There were 1,661,996 bankruptcies filed in Fiscal Year 2003, up 7.4 percent from the 1,547,669 filings in Fiscal Year 2002. This is the highest-ever total of filings for any reporting period. Since 1994, when filings totaled 837,797, bankruptcies in federal courts have increased 98 percent.

Bankruptcy filings and the demands they make on court resources continue to rise at a time when federal courts are facing little or no growth in their fiscal year 2004 budget. And despite the increase in caseload, no new bankruptcy judgeships have been created since 1992. The federal Judiciary's Fiscal Year is the 12-month period ending September 30. The bankruptcies reported are for October 1, 2002 – September 30, 2003. 